



MEMORANDUM

TO: Councilmember Sally Clark, Chair, COBE
Councilmember Sally Bagshaw
Councilmember Tim Burgess

FROM: Diane M. Sugimura

DATE: August 2, 2010

SUBJECT: Committee Briefing: DPD Monthly Report August 11, 2010

Permitting News

We continue to see weakness in the construction industry. As the table below indicates, the volume of incoming permits is considerably lower (-30%) than at the peak of development activity in 2007, and the value is significantly lower (-50%). In 2010, we are actually seeing an increase in volume compared with last year; however, even with the increase in number of permits, the value and therefore our revenues, continue to decrease. Both intake and issue values are about half of what they were in 2007. The numbers are consistent with previous construction slow-downs with volume remaining fairly steady, but value shrinking greatly.

First 6 months of the year	Permit Intake Comparisons		Permits Issued Comparisons	
	Volume	Value	Volume	Value
2007 (high year)	4,596	\$1.6 billion	4,557	\$1.4 billion
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2009	3,012	\$1.0 billion	2,929	\$1.2 billion
2010	3,191	\$806 million	3,148	\$722 million

This phenomena of an increase in volume between 2009 and 2010 at a time when we have cut staff and need to cut staff further because of the persistent downward trend of the value of the applications, places a significant strain on the system and the remaining staff who must try to cope with the increased workload. In addition, we are depleting our core staffing reserves, so we now need to cut even further.



Master Use Permit (MUP) Update: MUPs, which can be viewed as an indicator of potential future construction activity, give little reason to be optimistic about the near term. The number of MUP applications this year is virtually identical to what we saw in 2009. We have had 188 applications this year compared with 189 applications last year. Again, using 2007 as a reference point, we see a precipitous decrease in applications as we had 584 applications in the first six months of 2007. Thus the drop in application activity for MUPs has been on the order of 68%. It is worth noting that many of the MUP applications during 2007 were unit lot subdivisions associated with townhome developments, but even taking that into consideration, the reduction in MUP applications is extremely dramatic and, as noted, points to a continued slump in construction activity into the foreseeable future.

Turnaround Times for Initial Reviews: For the first half of 2010, we have exceeded or come very close to meeting our plan review targets. For our 48 hour target projects we have completed 94% on time compared to our target of 80%. For our 2 week target projects we have completed 78% on time, slightly shy of our target of 80%. For our complex 6 week target projects, we have completed 81% on time which exceeds our target of 70%. We have published 81% of MUP decisions within 120 days which is slightly better than our goal of 80%. It is, however, unlikely that we will be able to continue to meet targets after our next round of staff reductions.

In the midst of this doom and gloom picture, revenues in July were definitely much stronger than earlier months; however, one month does not make a trend. We will keep careful watch.

Enforcement Activity

Planned Demolition of Problem Property: DPD is preparing to demolish a house and garage at 502 Belmont Ave. E and E. Republican. The house was vacated after a fire, and we have received a number of complaints about trespassers repeatedly breaking in, and reports of drug use and other illegal activities on the property. We obtained a judgment against the property owner of over \$648,000 in early July for civil penalties, vacant building fees and court costs, and a court order allowing the City to abate the nuisance by demolishing the structures. We are having a survey performed for asbestos-containing materials inside the house and garage. We expect to get the report from the lab a week or so later; if materials are found that require specialized handling for removal and disposal, that will be identified and factored into the specifications for the demolition of the structures. We expect to final the job specifications the week of August 9. The contractor will then obtain required permits and schedule the crew and equipment. Our target date for demolition of the house and garage is early September.

Planning Updates

- Central Waterfront Public Space: Statements of Qualifications for design and engineering teams are due August 4. Interest has been significant – almost 350 individuals representing hundreds of firms requested the documents. The pre-submittal meeting held in mid-July was attended by about 275 people from across the country and all over the world. We have formed an interview panel that will integrate members of the Central Waterfront Partnerships Committee with City staff to ensure public

oversight of the team selection. A public presentation of shortlisted teams is scheduled at Benaroya Hall on the evening of September 15.

- Neighborhood Plan Updates: As part of the City's 2010 neighborhood plan updates, staff from DON, DPD, and Councilmember O'Brien's office conducted interviews to select members for the Neighborhood Advisory Committees (NACs) for Rainier Beach and Broadview/Bitter Lake/Haller Lake. A broad range of community stakeholders applied to take part – 26 in Rainier Beach and 16 in B/BL/HL. We anticipate we'll formalize NAC membership in time for orientations scheduled for early September. In the three SE neighborhoods, work is proceeding well on developing Urban Design Frameworks and facilitating community action teams.
- CPPW Grant Award: DPD was awarded \$108,000 of Communities Putting Prevention to Work funds from King County to create healthy communities through:
 - a coordinated citywide municipal agriculture program;
 - a healthy community element in the Comp Plan re: active living and healthy foods;
 - improved urban access to healthy foods and activating streets for peds and transit riders, with a focus on the N. Beacon Hill, Mt Baker and Othello light rail station areas.
- HUD Challenge Grant: The City submitted a grant request to HUD for \$3M to implement Equitable TOD in the Broadway, N. Beacon Hill, Mt Baker and Othello light rail station areas. The grant focuses on creating an acquisition fund for affordable housing, with additional support from Enterprise Communities and the Housing Levy. The grant would fund targeted work to implement an affordable commercial space program in Othello, as well as capacity building and feasibility studies for a multi-cultural community center. Resources would be included to expand our use of POLs (planning outreach liaisons) as part of the work. At Othello, we would also explore the potential for shared parking, primarily for residential use, to reduce development costs, by not requiring each to build their own parking. This would also allow for more flexible management of parking to support transit ridership and local small businesses.
- Seattle 2030 District: City Green Building, in conjunction with the Seattle 2030 District Planning Committee and the Seattle Climate Partnership, has submitted a grant proposal to the EPA's Climate Showcase Communities Grant Program to support "Activating the Seattle 2030 District: A Public-Private Alliance to Achieve Carbon Reduction." The request for \$454,292 would be used to create an organizational framework, identify energy baselines and reduction targets, develop energy-efficiency contracting packages and provide streamlined permitting support.
- Sustainable Building Policy: DPD's Green Building Team is launching a Sustainable Building Policy IDT that will include staff from DPD, OSE, SCL, SPU, FAS, Parks, Seattle Center and CBO. The IDT is tasked with developing an updated Sustainable Building Policy for capital projects in alignment with Seattle's current environmental goals and priorities.
- Roosevelt Rezones: Staff is working to finalize SEPA and complete a rezoning report for the Roosevelt neighborhood's recommended rezones. We anticipate publishing the SEPA decision in early August.